

- Examples of embedded algorithms in larger software packages
  - Equation editor in Microsoft Office.
  - Microsoft licensed DOS to IBM instead of selling it.
  - Business model:
    - License for upfront fee (desirable if the customer may go out of business)
    - License for annual payment
    - E.g. Beauty salon software. Made more money when charged a subscription fee instead of a one-time license.
- Leaders in the micro-array analysis field
  - Rosetta, which was recently acquired by Merck
    - Agglomerative clustering, looks at the distance between data points, asks what are the closest ones
    - Clumsy
    - We could sell our algorithm to Rosetta.
- Possible applications
  - Customized medicine, or “pharmacogenetics”
    - Profile people’s genetic differences (SNPs) to determine which drugs will work best for them.
    - Use an inexpensive test to yield better patient results to drugs. Could be a huge market for this.
    - May or may not work, but pharma is researching the technology, and so they could use our product NOW. If successful, clinics will use our product in the FUTURE.
    - Our software should interface with clinicians, datasets, and patient data to make match-ups.
    - **Current players**
      - Affymetrix: makes the micro-arrays that are needed to visualize the SNPs
      - Mark Che: guy who measures lots of SNPs
      - GlaxoSmithKline: Alan Rosen, interested in making drugs more safe, not necessarily more effective.
        - Had generated a \$1 million oligo database for SNP queries.
      - Illumina: makes micro-arrays. Look at their 10k. They also sell data analysis tools. Located in San Diego
      - Orchi Biosciences: SNP technology
      - Applied Biosciences (?)
      - Pearlinger (?)
- Business models
  - Sell as service?
    - Hard to reap the economy of scale
    - Users may not want to give away data.

- Sell as in-house shrink-wrapped software
  - May be easier for users to use
  - Economy of scale.
- Develop a consulting group around our software
  - David should have an example of this
  - E.g. clinical trial optimization, offers advice on how to optimally use clustering tools, design experiments around them, etc.
- How is Eigencluster differentiated from other algorithms
  - Accuracy, effectiveness, speed.